132

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CENTRAL INTELLIGENCE AGENCY REPORT NO. [redacted] 25X1A

INFORMATION REPORT

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SOURCE

1. The Electro-chemical Combine in Bitterfeld consists of an Inorganic Department, a Nitrogen Department, an Organic Department, a Plastics Department, a North Plant, a Light Metal Department (South Plant), and a power plant. These departments are subdivided into a number of individual installations, some of which are still under construction or being expanded. In 1950 a new chromic acid installation and a caustic soda decomposition installation (Aetznatronzersetzung) were added to the installations of the inorganic department. Early in 1951, the chromic acid installation was not yet operating at full capacity. The caustic soda decomposition installation achieved the required capacity production a few days after it was put into operation. Aluminum Plant I which is being reconstructed on the plant site at Bitterfeld-Sued, is scheduled to be completed by September 1951 and will have an annual capacity of 15,000 tons. Plans for the reconstruction of the Aluminum Plant II on the former plant site in Bitterfeld-Nord are also being worked out. Estimates as to the cost have been completed and reconstruction work is allegedly scheduled to start on 1 October 1951. This installation, which will have an annual capacity of 20,000 tons, is scheduled to be completed by summer 1952. Investments for the expansion of aluminum production in 1951 total 29 million eastmarks.

2. Sodium metal was produced only on a laboratory scale in the beginning of May 1951. Small shipments of sodium metal were sent to the Buna Plant in Schkopau (M 52/D 91) and the Agfa Plant in Wolfen (M 52/E 14). Large-scale plant production of sodium is expected to start soon. A chlorine condensing installation in the North Plant was temporarily operated to meet the large export demand for chlorine. However, by an order of the SAG general management in Berlin-Weissensee (M 53/Z 85), the chlorine sales to Sweden and Western Germany were suddenly stopped and the chlorine had to be blown off. The Svenska Klorfabriker A.B. Stockholm had contracted for the delivery of 2,500 tons of chlorine for the first half year of 1951, 214 tons of which had been supplied when the exports were stopped. Negotiations were still under way regarding the delivery of 5,000 tons of chlorine to the U.S.S.R. A reparations order calling for the delivery of 200 tons of 90 degree chloride of lime, at 212 eastmarks per ton, has to be filled immediately. The production of calcium metal was temporarily suspended early in December 1950. In March 1951, the inventories of calcium metal consisted of 33 tons of crude metal, and 33 tons of distilled pure metal. The current production of yellow and red phosphorous by the Combine appears to be jeopardized by the increasing

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necessity for repairs on the antiquated installations. The phosphorous deliveries to the U.S.S.R. leave as "Priority Shipments" (bevorzugte Lieferungen) via Stettin (O 51/Q 55) with no indication as to the place of destination. Barium sulfate which is free of impurities is required as raw material for the production of barium carbonate. At present, 600 tons of such barium sulfate are supplied monthly by the Roenitz (N 51/J 63) Mine. However, these supplies are far below requirements. To date, the deficit has been balanced by imports. It is planned to put an additional mine into operation which will increase the production to about 1,000 tons monthly. The total Soviet Zone requirements of barium carbonate are approximately 2,500 tons, of which 1,500 tons will allegedly be provided by imports. The Reichsbahn requires 1,200 tons of barium carbonate annually, and the Zeiss Plant in Jena (N 51/J 66) requires 500 tons annually. In 1950 the barium chloride production was 232 tons of which 74h tons were for sale and 188 tons were for plant requirements. Of the 74h tons of barium chloride, 40h were shipped to Czechoslovakia, 31 tons were supplied to the SAG enterprises, and 309 tons to other consumers. The production of titanium dioxide, used as a pigment in the dye and varnishing industry, cannot fulfill the Soviet Zone requirements which amount to about 1,200 tons annually. The production of Silirone and Trosiline which are used in the production of washing agents, increased during 1950. The following amounts of these products are required monthly: about 1,000 tons by the Persil Plant in Genthin (N 53/Z 03), 60 tons by the Sapotex Elbe-Chemie in Wittenberg (N 52/E 37), 250 tons by the Konsumseifenfabrik in Riesa (N 52/L 81), 30 tons by the Konsum Seifenfabrik in Aschersleben (N 52/1 55), 60 tons by the Fettchemie in Chemnitz (N 51/K 66), 500 tons by industries which produce as well as consume these items and 1,000 tons by 45 other consumer plants. The total monthly requirements amount to 2,900 tons. Since the production of Silirone and Trosiline cannot be increased beyond 2,000 tons monthly, it was suggested that consumers reduce their requirements. The nitrogen department did not receive adequate supplies of ammonia from the Leuna (N 52/D 91) Plant in 1950. Shipments of nitrogen compounds from the Combine in 1950 comprised 14,800 tons of 35 percent ammonium nitrate shipped to the Schoenebeck (N 53/D 78) and Knaschwitz (O 52/A 60) Plants.

3. Only limited supplies are available of alumina, which is required as raw material for aluminum electrolytic installations. The requirements are met on an almost day to day basis by imports from Western Germany. On 14 January 1951, a shipment was confiscated at Helmstedt (N 53/Y 20) which probably consisted of alumina, sent under false declaration. Following this, the alumina stocks of the Combine lasted until 20 January 1951. The Soviet and German commercial managers of the Combine took steps in Weissensee and Karlshorst to overcome the difficulties. The following aluminum products were manufactured in January 1951:

	Production (Units)	Orders (Units)
Washing boilers	3,350	3,032
Meat and dough vats	250	676
Washing tubs	1,000	7,124
Containers for fertilizer distribution	5,000 - 6,000	74,893
Skylights	1,000	2,693
Buckets	5,000 - 6,000	300,000
Milk cans	3,000	6,114
Milk cans for transportation	-	7,431
Bedsteads	4,750	7,709
Bunk beds (Etagenbetten)	-	50,000
Hospital beds	-	35,000
Garbage cans	1,500 - 2,000	11,296
Semi-finished extruded materials (Strangpressen-Halbzeug)	350 tons	600 tons
[illegible] production)	254 tons	204 tons

4. There is an agreement between the Combine in Bitterfeld and the Siemens-Plania regarding the production of graphite electrodes. According to this agreement the Bitterfeld Combine supplies graphite electrodes to the chemical industry in the Soviet Zone of Germany and the Siemens-Plania supplies this item to the metallurgical industry. The Siemens-Plania presses the crude electrodes and supplies them to the Bitterfeld-Combine for graphitization. The only Soviet Zone electrode press is in the Siemens Plania. Early in February 1951 it was under repairs for four weeks. During this time the production of this kind of electrodes was completely suspended. The quality of the electrodes continues to deteriorate because the quality of the anthracite, used for graphite production, is becoming worse. At the end of March 1951 the last anthracite stocks of the Heinrich Mine in the Ruhr District were exhausted although they had been supplemented by other anthracite supplies. The electrodes will lose about 20 percent of their efficiency if good quality anthracite is not obtained. In 1950 graphite electrode deliveries from the Bitterfeld Combine consisted of 326 tons to the SAG Buna in Schkopau, 162 tons to the SAG Farben in Wolfen (N 52/F 14), 39 tons to the VVB Zellstoff in Pirna (N 52/F 38), 68 tons to the VVB Elektrochemie in Arnendorf (N 52/D 92), 36 tons to the VVB Solvay in Osternienburg (N 52/D 96), 132 tons to the VVB Solvay in Westeregeln (N 52/D 58), and 38 tons to the VVB Heyden in Radebeul (N 52/F 19). The graphite electrode deliveries totaled 801 tons.

5. The Bitterfeld Combine supplied the following amounts of ferromolybdenum, computed on the molybdenum content, to the metal-working industries: 2,137.37 kg valued at 34,614.65 eastmarks in 1948, 39,463 kg at 602,893.30 eastmarks in 1949, and 3,063.98 kg at 46,765.15 eastmarks in 1950. From 1948 to 1950 the chief recipients of this product were the German Trade Center which received 32,600 kg, the SAG Otto Gruson in Magdeburg (N 53/Y 60) which received 7,036.14 kg, the Max Jahn Plant in Leipzig (N 52/E 21) which received 2,113 kg, the Maximilian Ironworks in Unterwellenborn (N 51/J 63) which received 1,005.32 kg, the Krupp-Gruson Plant in Magdeburg which received 869 kg, the Textima Knitting Machine Factory in Chemnitz (N 61/K 6?) which received 417 kg, the Farbenfabrik in Wolfen which received 258.90 kg, and the Aluminum Metal Construction Plant in Merseburg (N 52/D 91) which received 200.20 kg. In February 1951 the SAG AMO Machine Factory in Magdeburg-Buckau (N 53/Y 60) requested 1.5 tons of ferromolybdenum which could not be delivered because of the shortage of raw materials. The plant had to be referred to the German Trade Center which allocates the state reserves. The same applies to ferrotitanium. The Bitterfeld Combine now produces ferrochromium by a recently developed alumino-technical (sic) process. In February 1951, 3.5 tons of ferrochromium, with a chromium content of 60 percent and a maximum of one percent of carbon, were produced. The SAG Krupp-Gruson Plant in Magdeburg is very interested in obtaining ferrophosphorus supplies and would initially require 40 tons monthly. Deliveries of ferrophosphorus, with a 25 percent phorsphorous content and a maximum one percent silicon content, are scheduled to be made in 10-ton shipments. A new continuously operating installation for the tricresylphosphate production was established in the organic department. There are still some difficulties to be overcome in building up the production of Hexa products.

6. The PCU production installation (Igelit) requires new autoclaves. A number of old autoclaves were shipped to the Thale (N 52/D 25) Ironworks for reenameling and a year later had not yet been completed. In January 1951, 200 tons of PCU paste were produced. The German Trade Center (DHZ) had 900 tons of PCU past stored in Bitterfeld which could be distributed in the second quarter of 1951. However, to date only small allocations have been received due to the slow administrative procedure in the DHZ. In January 1951, it still appeared to be impossible to meet the Soviet Zone domestic requirements of PCU powder because of interzonal and export obligations. However, when sales to Western Germany were stopped, inventories began to pile up in the Combine. The following Igelit items were produced in January 1951:

[redacted] 25X1A

CENTRAL INTELLIGENCE AGENCY

Items		Units
Regular aprons		100,000
Laboratory aprons		5,000
Industrial aprons		2,000
Printed aprons for local costumes (Trachtenschuerzen)		5,000
Towels		10,000
Line casings	(Leitungsschoner)	10,000
Boots	about	7,000 pair
Shoes	about	15,000 pair

Beginning with March 1951, 13,000 pair of boots and 24,000 pair of shoes are scheduled to be produced monthly. However, about 100,000 pairs of shoes are stored in Bitterfeld and thousands of pairs at the DHZ. There is a tendency to cut out private business.

7. According to an order, deliveries of special products made of Vinidur, including tubes, may be made only on reparations accounts or directly to the Wismut A.G. No exceptions are permitted despite high domestic requirements. The production of 85 percent formic acid is expected to start by the end of 1951. In 1951, 216 tons of benzoic acid are scheduled to be produced. The following items are scheduled in the 1951 export plan:

1,500 tons of oxalic acid, from a total production of 1,550 tons.
800 tons of tricresylphosphate, from a total production of 2,400 tons.
2,500 tons of carbon tetrachloride from a total production of 4,560.
5,000 tons of Cesarol spraying agents from a total production of 13,500 tons.

8. The 1950 production quotas of the various departments of the Combine were fulfilled as follows: *

	First half of 1950 (percentage)	Last half of 1950 (percentage)
Inorganic department	105.7	108.9
Nitrogen department	97.1	108.0
Organic department	89.8	123.1
Plastic department	104.1	110.6
Northern Plant	97.1	123.1
Light metal department	107.3	130.4
Power plant	108.1	109.0

9. The following projects of the Central Research Laboratory in the Bitterfeld Combine were emphasized in a report, made by manager Dr. Heyder (fnu) early in 1951:

a. Fertilizer with phosphate content.

b. Production of alumina from clay.

c. Development of permanent magnets (Dauermagneten).

10. The SAG Electro-Chemical Combine in Bitterfeld is under the administration of the Soviet general manager, Belyayev (fnu) and the German general manager, Dr. Heydor. The commercial managers are Soviet manager, Shutikov, (fnu), and German managers, Mueller (fnu) and Schumann (fnu). The purchasing manager is Otto (fnu). The sales office of the Combine is at 25 Mittelstrasse in Berlin. The personnel of this office includes one Frau Bartsch, nee Salin (half Russian) (fnu) who was formerly the secretary of the general manager. The commercial transactions of the Combine are controlled by the Chemical Department for Domestic and Foreign Trade, of the Chief Chemical Department of the Association for Inner German Trade (IDH),

and DAHA Chemie. All these offices are located in Berlin. According to an order of the Soviet general management issued early in 1951, sales to private firms are no longer permitted. Sales must be handled exclusively by state organizations such as VEB, DHZ, HO, and KWU. Sales to private firms previously amounted to 30 to 35 percent of the total sales. The production costs of the Combine are considerably higher than the controlled sales prices which are still based on 1944 prices for the producer. However, the state trade organizations obtain much higher prices in the interzonal and export trade. Thus, there is an annual loss of about 8 million eastmarks.

11. The number of employees increased from 11,300 on 1 January 1950 to 12,346 on 1 January 1951. The percentage of female workers increased from 72.3 percent on 1 January 1950 to 24.6 percent on 1 January 1951. Only 2.8 million eastmarks are allocated for large scale repairs in the Combine in 1951.

25X1A * [redacted] Comment. For a list indicating the scheduled production of all items produced by the Combine for the second quarter of 1951, see Annex.

1 Annex: production schedule.